



**CITY OF HUNTINGTON BEACH  
PUBLIC WORKS COMMISSION  
REQUEST FOR ACTION**

Item No. PW 08-04

**SUBMITTED TO:** Chairman Siersema and Members of the Commission

**SUBMITTED BY:** Travis K. Hopkins, PE, Director of Public Works

**DATE:** February 20, 2008

**SUBJECT:** Annual Drainage Fund Report Fiscal Year 2006/07

**Statement of Issue:** In accordance with Section 14.48 of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Drainage Fund for the City Council. The process also provides an opportunity for the Public Works Commission to review planned projects, revenues and expenditures under the program.

**Funding Source:** No funding is required for this action.

**Recommended Action:** Recommend approval of the Drainage Fund Compliance Report to the City Council.

**Alternative Action(s):** Recommend revisions to the report.

**Analysis:** The Drainage Fund is a development fee that is restricted to use for drainage enhancements. Section 14.48.050 (d) requires the City Council to review the status of compliance with this Chapter, including the revenues collected and the funds expended. The following information conforms to the requirements of the HBMC regarding revenues and expenditures of the Drainage Fund. Although the reporting requirement became effective with the adoption of the revised ordinance in September 2006, the Drainage Fund has existed since 1975. The following information covers Fiscal Year 2006/07.

G-2'

### **Fiscal Status**

As the result of project costs for the Shields Pump Station several years ago, the Drainage Fund maintains a negative balance of \$777,000.

### **Revenues**

Revenue for FY 2006/07 from development was \$80,258. Interest to the fund was debited for a reduction of \$37,056.

### **Expenditures**

No expenditures were made, or are planned for the Drainage Fund.

### **Conformance with Program Goals and Objectives**

The Drainage Fund is intended to implement the goals and objectives of the current Drainage Master Plan. Funds collected and deposited to the fund may be expended solely for the construction or reimbursement for construction of sanitary sewer facilities. The Fund is in compliance with these requirements.

### **Rate Schedule Fiscal Year 2006/07**

Drainage Fees: \$12,965 per acre

**Environmental Status:** Not applicable

### **Attachments:**

Huntington Beach Municipal Code Chapter 14.48 Drainage

TKH/LD

G-2<sup>2</sup>

G-2<sup>3</sup>

# ATTACHMENT #1

## **Chapter 14.48**

### **DRAINAGE**

(13-11/85, 1985-7/75, 1998-9/75, 2048-5/76, 2068-7/76, 2073-7/76, 2142-1/77, 2163-2/77, 2165-3/77, 2179-4/77, 2798-11/85, 3741-9/06)

#### **Sections:**

- 14.48.010 Master plan of drainage
- 14.48.020 Drainage areas
- 14.48.030 Drainage fund
- 14.48.040 Advances from general fund
- 14.48.050 Drainage fees
- 14.48.060 Applicability
- 14.48.070 Conditions governing reimbursements
- 14.48.080 Drainage fee deferments
- 14.48.090 Annual Construction Cost Index Adjustment

**14.48.010 Master plan of drainage.** The City has adopted a Master Plan of Drainage pursuant to California Government Code sections 66483 et seq. (3741-9/06)

Said drainage plan has been determined by the Board of Supervisors of the County of Orange to be in conformity with the County drainage plan. A copy of the City's Master Plan of Drainage is on file in the City Clerk's Office and the same is made a part hereof as if fully set forth in this chapter. (3741-9/06)

The City Council hereby finds, by adopting the City's Master Plan of Drainage, that the subdivision and development of property within the district areas requires the construction of the facilities as set forth in the aforementioned Master Plan of Drainage.

The City Council hereby finds, by adopting the City's Master Plan of Drainage, that the fees, established by resolution of the City Council, are fairly apportioned within the drainage areas set out in the City's Master Plan. (1985-7/75, 2798-11/85, 3741-9/06)

**14.48.020 Drainage areas.** The boundaries of the drainage areas are hereby declared to be those identified in the Master Plan of Drainage, which is on file in the City Clerk's Office, and the same are made a part hereof as though fully set forth in this chapter. (3741-9/06)

All drainage facilities set forth in the Master Plan of Drainage for the city of Huntington Beach are in addition to present local drainage facilities serving the drainage areas. (1985-7/75, 2798-11/85)

**14.48.030 Drainage fund.** There is hereby created a separate fund which shall be known as the "planned local drainage facilities fund." All moneys collected pursuant to this chapter shall be deposited into the "planned local drainage facility fund" and separate accounts shall be established for each local drainage area. (3741-9/06)

The city shall have the right in lieu of accepting cash, pursuant to this chapter, to accept other proper and valid consideration. (1985-7/75)

**14.48.040 Advances from general fund.** The city may advance funds from its general fund to pay the cost of constructing drainage facilities within a local drainage area and may reimburse the general fund for such advances from the planned local drainage facilities fund for the local drainage area in which the drainage facilities were constructed. (1985-7/75)

G-2<sup>4</sup>

**14.48.050 Drainage fees.** There is hereby established a requirement for the payment of fees for the purpose of defraying the actual or estimated costs of constructing planned drainage facilities for the removal of surface and storm waters for the various drainage areas. Actual drainage fees for each drainage area shall be established and amended from time to time by resolution of the City Council.

Such fees shall be collected, deposited and expended pursuant to California Government Code sections 66483 et seq., and all other applicable laws of the state of California.

All necessary drainage fees established by the city shall be deposited with the city prior to recordation of a subdivision map, or issuance of a building permit if a subdivision map is not required. The subdivider or person to whom a building permit has been issued may make application for a reimbursement agreement. (1985-7/75, 1998-9/75, 2068-7/76, 13-11/85, 2142-1/77, 2163-2/77, 2179-4/77)

Within 180 days after the last day of each fiscal year, the City Council shall review the status of compliance with this Chapter, including the amount of fees collected and expenditures from the "planned local drainage facility fund." (3741-9/06)

**14.48.060 Applicability.** The provisions of this chapter shall apply to all subdivisions of land and the development of all land within the drainage area unless the fees were previously paid by prior development.

It shall be the responsibility of the applicant to construct all on-site improvements as may be required by the city, including all off-site drainage facilities as are required by the city. The applicant shall be reimbursed by the city for all required off-site construction, in accordance with section 14.48.070. (1985-7/75)

**14.48.070 Conditions governing reimbursements.** Notwithstanding any other provisions of this chapter, the payment of refunds shall be governed as follows:

- (a) Refunds shall be payable for a period of five (5) years from date of applicant's application.
- (b) Refunds shall not exceed 90 percent of off-site construction costs.
- (c) Refund shall bear no interest.
- (d) The city shall not be liable for payment of any refund by reason of its failure to collect or receive from any person the drainage fee.
- (e) The city retains the right to exempt a public agency from payment of drainage fees and shall not be liable to applicant for refund because of said exemption.
- (f) Reimbursement agreements covering the payment of refunds shall be writing.
- (g) The city shall not be required to make reimbursement to any person until all drainage construction projects in a drainage area are completed. (1985-7/75, 2048-5/76)

**14.48.080 Drainage fee deferments.** The owner or developer of any industrial property may apply to have a portion of the drainage fees required by this section deferred for a period of time not to exceed five (5) years from the date of deferment. The application for deferment of any drainage fees must be made to the director of public works and be approved by the City Council. The owner or developer of any property to be used for open space developments such as for horses, golf driving ranges, or other transitional or temporary uses, may apply to have a portion of the drainage fees required by this section deferred for a period of time not to exceed ten (10) years from the date of application.

In the case of open space developments, every owner or developer shall pay a cash deposit in the amount of 10 percent of the drainage fee established at the time the owner or developer files application for fee deferment, 25 percent of said drainage fee five (5) years after said application, and 65 percent of said drainage fee ten (10) years after said application. For each subsequent developer, or for each change of use, the subsequent developer shall pay 10 percent of the drainage fee established at the time the subsequent developer filed application for fee deferment, 25 percent of said drainage fee five (5) years after said application and 65 percent of said drainage fee ten (10) years after said application, or the entire balance if the balance of the total drainage fee owed to the city is the lesser amount. Each deposit shall be retained by the City Treasurer and shall be applied to the drainage fee which is in effect at the time of the application for deferment and shall be a credit to the total drainage fee applicable to such property.

In the case of industrial development, the owner or developer shall pay a cash deposit in the amount of 20 percent of the drainage fee established for the development at the time of deferment. The remaining 80 percent shall be paid at the rate of 20 percent per year for the following four (4) years on the anniversary date of the deferment.

For the purposes of this section, transitional and temporary uses shall only be those uses permitted by ordinance, use permit or conditional use permit, and approved by the planning commission or board of zoning adjustments.

The City Council shall have the discretion to accept or reject any application for deferment of drainage fees or any portion thereof.

Application for such deferment shall be made to the director of public works and be approved by the City Council. In the event the required waiver is denied, the cash deposit shall be returned to the applicant within a reasonable time.

Land areas which are covered by existing reimbursement agreements for storm drains or other drainage structures are excluded from deferment of drainage fees hereunder. (2073-7/76, 2165-3/77)

**14.48.090 Annual Construction Cost Index Adjustment.** (3741-9/06)

- (a) Each drainage fee shall be adjusted to reflect the annual percentage adjustment in the Construction Cost Index ("CCI") established by *Engineering News Record* as published by McGraw Hill Construction/McGraw Hill Companies as of July 1 commencing July 1, 2007. (3741-9/06)
- (b) Adjustments based on these criteria will be determined on July 1 of each year. The adjustments will be implemented effective the following October 1, which is the beginning of the city's fiscal year. (3741-9/06)

G-2<sup>6</sup>